

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2972-01
Bill No.: HB 1160
Subject: Children and Minors: Education, Elementary and Secondary
Type: Original
Date: March 12, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$219,490 to \$32,498,990)	(\$245,074 to \$33,492,959)	(\$340,553 to \$34,585,875)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$219,490 to \$32,498,990)	(\$245,074 to \$33,492,959)	(\$340,553 to \$34,585,875)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal	(\$108,107)	(\$120,708)	(\$123,737)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$108,107)	(\$120,708)	(\$123,737)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	(\$0 to \$7,903,500)	(\$0 to \$8,140,605)	(\$0 to \$8,384,823)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there could be an increase in the cost to fully fund the basis state aid formula due to an increase in attendance of students between the ages of 16 and 18. Based on the 1990 census, there would be approximately 13,000 students affected by increasing the compulsory attendance age to 18. The increased cost to fully fund the foundation formula is estimated as follows:

$$13,000 \text{ students} \times \$4,966^* \text{ formula amount per eligible pupil} \times 50\%^{**} = \$32,279,500$$

*\$4,966 is the average cost per pupil when local deductions remain constant. The actual cost is subject to appropriation. (\$3.445 X \$144,162/100 for FY 2003)

**Assumes that only 50% of the sixteen and seventeen year old students will stay in school.

DESE assumes a 3% inflation assumption for subsequent fiscal years.

In estimating the local cost to school districts, DESE made the following assumptions:

The current expenditure per eligible pupil in 1999-00 was \$6,182. (The 2000-01 calculation is not complete.) The approximate cost to school districts would be:

$$\$13,000 \times 50\% \times \$6,182 = \$40,183,000.$$

\$32,279,500 of this amount would be paid by the state through the basic state aid formula. The remainder (\$7,903,500) would come from miscellaneous sources of local, state, or federal revenue. If no additional money is available, the district may not increase its spending; rather the same amount of spending spread over more students reduces the amount spent per student.

Officials from the **Department of Social Services - Division of Youth Services (DOS-DYS)** state that in FY 2000 55 youth under the age of 16 were committed to DYS for truancy (an increase from 30 in FY 1998). According to the Kids Count Missouri, the annual high school dropout rate for the 1998-99 school year was 4.8%, or approximately 12,457 dropouts. According to the 1999 Juvenile Court Statistics Report, there were 6,056 referrals for truancy made to the juvenile courts involving youth under the age of 16 years. With the additional period

of two years, Division officials estimate that between 15 and 50 youth ages 16 to 17 years could be committed to annually to DYS. Officials assume that courts would act on referrals for truancy of youths 16 to 17 years of age, but that little action would be taken by the courts on the truancy referrals where the youth is 17 years or older. The division's assumption is based on the state statute 211.021, RSMo which defines "adult" as a person 17 years of age or older.

ASSUMPTION (continued)

Oversight assumes that DYS could absorb any additional costs related to providing day treatment for 15-50 youths. It was assumed that the youths would not be placed at one facility, but could be placed at any one of the 33 facilities that currently provide educational programs for DYS. Furthermore, it was assumed that DYS would obtain state aid through the state basic aid formula based on the number of students and their attendance records.

The **Department of Social Services (DOS), Division of Family Services (DFS)** assumes that it would be fiscally impacted by this proposal. DFS assumes that requiring children to attend school until age 18 would result in children ages 16 and 17 being reported to the Child Abuse/Neglect (CA/N) Hotline for educational neglect since a parent's failure to send a child to school is a reportable condition.

To project the fiscal impact, the following staffing formulas and caseload standards for field staff were used:

1 Clerk-typist : 3 professional staff
1 Supervisor III : 3 Supervisors I
1 Supervisor I : 7 Children's Services Workers
CA/N Investigations : 17 per month per Children's Services Worker
12 Family-Centered Services cases per Children's Services Worker

To estimate the number of additional educational neglect reports that would result from the proposal, DFS used data from 1999. There were 3,686 children reported for educational neglect of which 1,179 were children from 14 or 15 years of age. DFS assumed they would have the same number of hotlines on 16 and 17 year old children. Approximately 35% of hotlines result in a need for Family-Centered Services; therefore 413 hotline calls would indicate a need for Family-Centered Services.

DFS assumes they would need the following staff to implement the proposed legislation:

1179 CA/N hotlines = 5.8 Children's Services Workers (1,179 hotlines/17 hotlines per month/12 months per year)
413 FCS cases = 21.7 Children's Services Workers
27.5 (5.8 + 21.7) Children Services Workers (to investigate and assess CA/N reports and work with families to improve their parenting skills to an acceptable level of child care)
3.9 Supervisors I (to supervise Children's Services Workers)
1.3 Supervisor III (to supervise Children's Services Workers)
10.9 Clerk-Typists II (support for professional staff)

Consistent with similar legislation from the prior years and an insignificant change in workload, **Oversight** assumes that a total of 5 Children's Services Workers, 2.29 Clerk Typists and 1.1 Supervisor would be needed as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
	(10 Mo.)		

GENERAL REVENUE FUND

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Cost</u> - Transfers to State School Moneys Fund	(\$0 to \$32,279,500)	(\$0 to \$33,247,885)	(\$0 to \$34,245,322)

<u>Cost</u> - Department of Social Services Division of Family Services			
Personal Services (5.62 FTE)	(\$143,854)	(\$176,941)	(\$270,694)
Fringe Benefits	(\$51,802)	(\$63,716)	(\$65,310)
Expense and Equipment	<u>(\$23,834)</u>	<u>(\$4,417)</u>	<u>(\$4,549)</u>
Total Cost - DFS	(\$219,490)	(\$245,074)	(\$340,553)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$219,490 to \$32,498,990)</u>	<u>(\$245,074 to \$33,492,959)</u>	<u>(\$340,553 to \$34,585,875)</u>
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STATE SCHOOL MONEYS FUND

Income - Transfers from General Revenue Fund	\$0 to \$32,279,500	\$0 to \$33,247,885	\$0 to \$34,245,322
Cost - Distribution to School Districts	(\$0 to \$32,279,500)	(\$0 to \$33,247,885)	(\$0 to \$34,245,322)

ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL FUNDS

<u>Cost</u> - Department of Social Services Division of Family Services			
Personal Services (2.77 FTE)	(\$70,854)	(\$87,150)	(\$89,329)
Fringe Benefits	(\$25,514)	(\$31,383)	(\$32,167)
Expense and Equipment	<u>(\$11,739)</u>	<u>(\$2,175)</u>	<u>(\$2,241)</u>
Total <u>Cost</u> - DOS-DFS	<u>(\$108,107)</u>	<u>(\$120,708)</u>	<u>(\$123,737)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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SCHOOL DISTRICTS

<u>Income</u> - School Districts	\$0 to \$32,279,500	\$0 to \$33,247,885	\$0 to \$34,245,322
<u>Cost</u> - School Districts	(\$0 to \$40,183,000)	(\$0 to \$41,388,490)	(\$0 to \$42,630,145)
Increase School Attendance			
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(\$0 to \$7,903,500)</u>	<u>(\$0 to \$8,140,605)</u>	<u>(\$0 to \$8,384,823)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small business would be expected as a result of this proposal.

DESCRIPTION

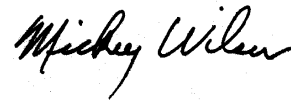
This proposed legislation raises the compulsory age for school attendance from 16 to 18.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Social Services
 Division of Youth Services
 Division of Family Services
Department of Labor and Industrial Relations

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Acting Director
March 12, 2002